



CONNECTICUT CLEAN ENERGY FUND

Statement of the Connecticut Clean Energy Fund Regarding Raised House Bill 5465 An Act Concerning The Development of Green Jobs

The Connecticut Clean Energy Fund (CCEF) strongly supports HB 5465's intent to further establish infrastructure for supporting the development of "green jobs" in Connecticut. Connecticut has the educational and labor training infrastructure to support workforce training and the CCEF supports efforts to build on the existing infrastructure. Specifically, HB 5465 would provide initiatives by which the State can be creative in developing support for "green jobs".

As demand for renewable energy technologies continues to grow, support through education and workforce training is a necessary component to maintain and sustain these markets and associated jobs here in Connecticut. The CCEF has been involved in many collaborative efforts recently seeking to bring external funding support to these efforts. Furthermore, the CCEF is continuously reviewing, considering and modifying our program criteria to better align with other workforce development efforts. For example, the CCEF is currently working collaboratively with the Department of Social Services, the state's community colleges, and the CBIA Education Foundation to submit an application to the federal government for a new training program investment. The goal of the program would be to train entry level workers in the solar PV industry. It is targeted at dislocated workers, unemployed and underemployed workers with a high school diploma (preferred) and, or high school level mathematical and reading skills.

Section 5 proposes a municipal financing program akin to a Property Assessed Clean Energy (PACE) program. The CCEF supports this alternative financing mechanism as one approach along with other strategies such as revolving loan funds to increase the penetration rate of both residential and commercial renewable energy systems. Not only is this a voluntary opportunity for municipalities and their citizens, both residential, commercial and institutional, but it also supports the need for ease-of-use alternative financing opportunities and long-term contracting. These loans can be designed with "pay as you save" principles—e.g. the energy savings from the systems being financed will cover the debt payments required. The CCEF offers the following considerations: (1) incorporate a process for coordination and collaboration among municipalities in an effort to avoid 169 different municipal program variations, and (2) incorporate a mechanism so that municipalities could, a) aggregate financings to provide lower bond transaction costs, b) have a loan pool amount sufficient to take to the bond market in an issuance, and c) share a loan loss fund or credit enhancement instruments if necessary. This would make the overall costs to the loan applicants more attractive and the program as a whole more effective. These suggestions could be accomplished by establishing a single entity that could provide statewide technical assistance and

program administration support. This entity could also apply for federal grants on behalf of all participating municipalities.

The Connecticut Clean Energy Fund could serve as this entity if the legislature so desires. CCEF, through its Clean Energy Communities Program, has 96 communities that are enrolled in this program. We have an active communication network through our CCEF communities web site and we currently conduct training and information sessions through webinars. In addition, we could work with the appropriate quasi-publics on bond aggregation and in engaging a third party administrator through an RFP process.

The CCEF recognizes the value of considering energy, economic, environmental, and transportation policies collectively. There is a direct relation between these various policy categories and thus we are generally supportive of the plug-in hybrid vehicle concept offered in section 6(c). However, it is unclear how the CCEF's involvement in these proposed transportation projects/programs would be funded. Currently our funding comes primarily from electricity ratepayers within the two electric distribution companies' service territories. The CCEF receives no funding from transportation-related sources. As proposed by section 6(c), any CCEF funds diverted for transportation projects would decrease the CCEF's support of its ratepayer-supported programs and projects. In-state demand for CCEF funding already outstrips available resources.

Also regarding section 6(c), one of the CCEF's statutory mandates is to "reduce energy use from traditional sources". Adding plug-in hybrid vehicles to our statute directly contradicts that mandate because plug-in hybrid vehicles do not reduce such energy use. The electric energy they consume is generated disproportionately by non-renewable, traditional sources.

The CCEF is pleased to be a part of many of the efforts throughout the state to improve and expand green job opportunities and to creatively finance renewable energy projects. We believe this Bill will further those efforts.